(iii) Decide all Human Resource issues relating to the Bank, including staffing pattern, recruitment, placement, transfer, training, promotions, etc.

(iv) Prescribe standards for categorization of branches, based on volume of business and other relevant factors.

(v) Prescribe essential academic qualifications, minimum qualification standards and modalities of promotion/recruitment to various categories.

(vi) Undertake visits to foreign countries to interact with investors, depositors and other stakeholders.

(vii) Lay down policy of accountability and responsibility of Bank officials and take action against erring bank officials in conformity with such policy. The policy framework should provide for stringent punishment for all malafide actions but, at the same time, recognize that bonafide errors do occur while making decisions relating to commercial judgement.

(c) Further autonomy has been given to well performing strong banks which have earned net profit over the last three years, CAR of 9% or more, net NPA of less than 4% and minimum owned funds of Rs. 300 crore, in the following areas:

(i) Creation of additional posts of General Managers;

(ii) Decisions on remuneration and compensation of officers and staff;

(iii) Decisions on the amount of contribution to be made to the staff welfare fund.

(d) Does not arise.

Long term potential of insurance policies in rural areas

1647. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the need for long-term potential of life insurance in rural India as unique challenges are required to be faced there;

(b) whether Government have studied the rural/tribal customer philosophy by developing specific insurance products and introducing simplified underwriting and claims guidelines so that such customers secure their financial future; and

(c) if so, what are the details thereof especially developed by LIC and public sector General Insurance Companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) and (c) Underwriting rural and social sector business include implementation of a long term strategy to penetrate rural markets by adopting a two pronged strategy which includes education orientation and focusing on products to cater to specific rural requirements. Keeping, this strategy in view LIC has developed the following individual as well as Group Insurance and Social Security Schemes to cater to the needs of the rural segments.

1. New Janaraksha Plan: This is meant for farmers and other rural workers whose income may be irregular.
2. Janashree Bima Yojana: This scheme provides for life insurance protection to the rural and urban persons below poverty line and even to persons marginally above poverty line.
3. Shiksha Sahyog Yojana: This is a scholarship scheme for the benefit of children of members of Janashree Bima Yojana.

LIC has also liberalized the underwriting practices and claim procedures for individual and group insurance schemes.

Some of the other schemes being implemented by the public sector general insurance companies, exclusively for the rural/tribal population and lower income groups, are:

1. National Agricultural Insurance Scheme
2. Universal Health Scheme
3. Varsha Beema
4. Tribal Package Policy.